



Maryland's Human Services Agency



For Hard Working Families



**Earned Income
Tax Credit**



Maryland's Human Services Agency

**Maryland Department
of Human Resources**

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HARD
WORKING
FAMILIES

Maryland helps hard working families and individuals increase the spending power of their household budget and build a better life.

Earned Income Tax Credit

Low-income families who work part time or full time can get **more take home pay** through the Earned Income Tax Credit (EITC). The amount of extra money depends on income and family size. Your family does not have to owe any taxes to get the EITC. To get EITC you must file a federal tax return to IRS and a state return to Maryland. You may claim the EITC when you file a tax return OR receive part of the EITC in advance with each paycheck and receive the rest in your tax return

To get the extra money in advance with each paycheck, you must file Form W-5 with your employer. (This advance does not cost the em-

ployer any money.) It is taken out of your federal withholding taxes.

There's more good news! The EITC money is not counted as income for Medical Assistance, cash assistance, Food Stamps, SSI or housing assistance. To get the EITC you must file your tax returns. FREE tax help is available. Call the IRS at 1-800-829-1040 and ask where you can get help. (If it is busy, don't give up - keep calling because it is worth it to get free help with your tax return.)

For more information about Earned Income Tax Credit, contact your local department of social services, call **1-800-332-6347 (TTY:1-800-925-4434)** or visit our website at www.dhr.state.md.us



EXAMPLE:

For 1999, a family with two children and gross income up to \$30,580 a year can get up to \$4,192; up to \$3,816 from the IRS and up to \$376 from Maryland. In 2000, a parent of two children on welfare without a job and no other income would get \$5,004 for the entire year. If the same parent worked full time earning \$5.15 an hour the parent would get \$14,904 in wages and EITC.